

The law defines consignors and consignees rights and requires consignees to make full disclosure when a consigned vehicle is sold. The new law also requires a written consignment agreement be executed between the consignor and consignee before the consigned vehicle can be driven. This agreement must indicate the party responsible for damage to or misuse of the vehicle. It must also indicate the permitted uses a consignee may make of a consigned vehicle. The law also requires a Consignment Charges Agreement be completed and attached to the written consignment agreement. This is form [TC-120](#) and is available from the Tax Commission Warehouse (801) 297-3878 (41-3-801 through 41-3-803 UCA).

### **Frequently Asked Questions**

**Can a consignor take his vehicle back any time he wants, even if he agreed in writing to leave the vehicle on the lot for 30 days?**

Yes. As long as the consignor has notified the consignee in writing that he is going to take possession of the vehicle; and he has paid all outstanding charges owing to the consignee that have been agreed to on form TC-120.

**As a dealer, can I still use my existing consignment agreements?**

Yes. However, a completed form TC-120 must be attached.

**When I sell a consigned vehicle, do I have to tell the consignor how much I sold it for?**

Yes. You must disclose, in writing, the exact selling price of the consigned vehicle if you and the consignor agreed in writing that he will receive a percentage of the selling price, or you renegotiate in writing the selling price of the vehicle.

**How long do I have to pay the consignor after I sell the vehicle?**

You must pay the consignor within 21 calendar days of the sale or within 15 calendar days of receiving payment for the vehicle, whichever date is earlier, unless the sale is rescinded.

**If I have to rescind the sale, do I have to notify the consignor?**

Yes. You must notify the consignor in writing within five calendar days.

**Can I drive the consigned vehicle on the consignor's license plates if they are still current?**

No. You must remove the consignor's license plates and/or any temporary permits on the vehicle. It can only be operated on your dealer plates.

**Who is responsible for insurance and damage to the vehicle while it is on consignment?**

You are required to have liability insurance on your dealer plates. The written consignment agreement must specify who is responsible for damage or misuse to the consigned vehicle.